

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

Amend the bill by striking out all of sections 3 and 4 and inserting the following:

‘**Sec. 3. 36 MRSA §5122, sub-§2, ¶CC** is enacted to read:

CC. For income tax years beginning on or after January 1, 2008 but before January 1, 2012, the amount of severance pay received due to the loss of employment by a covered establishment as defined in Title 26, section 625-B to the extent the severance pay is included in federal adjusted gross income.

**Sec. 4. Funding intent.** It is the intent of the Legislature that the costs of this legislation be paid for with federal funding made available to the State for economic recovery.

**Sec. 5. Application.** This Act applies retroactively to income tax years beginning on or after January 1, 2008.’

## SUMMARY

This amendment clarifies that the proposed income tax deduction for severance pay applies to mandatory severance pay received under the labor laws beginning January 1, 2008 and limits the income tax deduction to 4 years. It is the intent of this amendment that its cost be covered by federal stimulus funds.